

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0671-01  
Bill No.: HB 365  
Subject: Education, Elementary and Secondary  
Type: Original  
Date: January 26, 2015

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Bill Summary: This proposal establishes the Student Accountability Act that requires a student score proficient or higher on a state assessment in order to receive a high school academic diploma.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Up to \$128,318)	(Up to \$128,318)	(Up to \$128,318)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Up to \$128,318)</b>	<b>(Up to \$128,318)</b>	<b>(Up to \$128,318)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials at the **Department of Elementary and Secondary Education (DESE)** assume the highest percent of students testing proficient/advanced in an end of course (EOC) in 2013-2014 was English II with 74% proficient/advanced.

For planning purposes, DESE assumes 70,000 students in a cohort (grade level). DESE would need to plan on retesting 18,200 students ( $70,000 \times 26\%$ ). Costs vary on the EOC taken, so DESE will assume \$3.00 per test for administration costs since student choice is involved. The total cost is estimated at an additional \$54,600 in state assessment funds.

Officials at the **Cole R-1 Schools** assume this would have an impact but, the exact impact is unknown at this time.

Officials at the **Department of Higher Education, Kansas City Public Schools, Metropolitan Community College, Missouri State University, University of Central Missouri** and the **University of Missouri** each assume there is no fiscal impact to their respective organizations from this proposal.

**Oversight** notes this proposal requires a student to complete an end of the course assessment in each of four core areas: mathematics, science, communication arts and social science. DESE currently has a number of end of the course assessments in each of those areas. Oversight notes that in the 2014-2015 school year all Missouri high school students are required to take the Algebra I, Biology, English II and Government end of the course assessment. For the purpose of the fiscal note, Oversight will assume the end of course assessments for Algebra I, Biology, English II and Government will be the end of course assessments required to meet the provisions of this proposal.

**Oversight** pulled the results of each of these EOC for the last five years from the DESE website. Each test results showed the total number of students who took the exam and the number of students who completed the exam by scoring category. The students who completed the test are rated: below basic, basic, proficient or advanced. This proposal would require students to score proficient or advanced on each test in order to receive a diploma.

ASSUMPTION (continued)

In order to determine the number of students that may need to retake the individual exams, **Oversight** calculated a five year average of students that completed the test and the score in each category. Oversight then summed the averages of those scoring below basic and basic to determine the number that would need to retest. Oversight determined the number of students needing to retest for each category to be:

Algebra I = 29,321  
Biology = 24,293  
English II = 17,674  
Government = 26,986

**Oversight** obtained the cost per each of the EOC's from DESE's website. Oversight notes the prices of the test can vary each year; but for fiscal note purposes is using the 2014-2015 school year testing rate of \$1.80 per test for the Algebra I, Biology and English II tests. The Government exam is given for free to students.

**Oversight** estimates the following:

Algebra I - 29,321 students retake at \$1.80 per test = \$52,778  
Biology - 24,293 students retake at \$1.80 per test = \$43,727  
English II - 17,674 students retake at \$1.80 per test = \$31,813  
Government - 26,986 students retake at \$0 per test - \$0  
Total Cost for students retaking the test each year   **\$128,318**

**Oversight** notes this proposal allows a student to choose to take the end of course assessments or the ACT, Compass, ASVAB or GED. Oversight has shown in the fiscal note all the students choosing the end of course assessments as they are provided free to the students. The ACT, Compass, ASVAB and GED require students to pay for the exams.

**Oversight** will assume the students that need to retake the test will only take the test one additional time.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that

ASSUMPTION (continued)

this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Columbia Public Schools, Everton R-III School District, Fair Grove Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Malta Bend Schools, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Special School District of St. Louis County, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, State Technical College of Missouri, St. Charles Community College, St. Louis Community College, Three Rivers Community College and the Truman State University did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DESE - students retaking end of course assessments	(Up to <u>\$128,318</u> )	(Up to <u>\$128,318</u> )	(Up to <u>\$128,318</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Up to <u>\$128,318</u>)</b>	<b>(Up to <u>\$128,318</u>)</b>	<b>(Up to <u>\$128,318</u>)</b>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

#### FISCAL DESCRIPTION

This bill repeals the provision that prohibits the establishment of a test as a condition for high school graduation or a state approved high school diploma, and establishes the Student Accountability Act which, beginning with school year 2018-2019, requires that:

- (1) A student must score proficient or higher on at least one assessment after eighth grade in each core area of mathematics, communication arts, social sciences, and science in order to receive a high school academic diploma from the Department of Elementary and Secondary Education, except that the parent or guardian of the student, or the student if he or she is an emancipated minor or no longer a minor, may choose the ACT, COMPASS, ASVAB, or GED instead of the statewide assessments.
- (2) A student receiving special education services whose education plan specifies that the student scores at least one standard deviation below average on a generally accepted intelligence test may be awarded a diploma of local achievement.
- (3) A student who does not qualify under either of the above options must not be awarded any high school diploma.

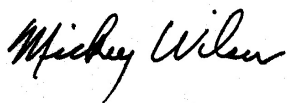
FISCAL DESCRIPTION (continued)

The bill repeals the provision that prohibits placing a student's attendance records, grades, or class rank on his or her printed diploma.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Cole R-1 Schools  
Department of Elementary and Secondary Education  
Department of Higher Education  
Joint Committee on Administrative Rules  
Kansas City Public Schools  
Metropolitan Community College  
Missouri State University  
Office of the Secretary of State  
State Fair Community College  
University of Central Missouri  
University of Missouri



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